



PSC NEWS

Missouri Public Service Commission

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SCHEDULED WINTER NATURAL GAS FILING APPROVED FOR UNITED CITIES GAS COMPANY--PALMYRA DISTRICT

Jefferson City (October 30, 2001)---Palmyra District natural gas customers of United Cities Gas Company will see **lower natural gas rates** under a scheduled winter season filing approved by the Missouri Public Service Commission. This decrease, which primarily reflects a reduction in the wholesale cost of natural gas, takes effect November 1, 2001. The winter season filing covers the period of November through March.

A residential customer currently pays \$0.9008 per Ccf (100 cubic feet of gas). Under this filing, the rate will drop to \$0.4562 per Ccf, a decrease of approximately 44.4 cents per Ccf. **The effect on a typical residential heating customer for the winter season is a decrease of \$394 or 43 percent when compared to rates currently in effect.**

Approximately 60% to 70% of a customer's natural gas bill reflects the cost of natural gas from wholesale suppliers. The wholesale cost of natural gas (the cost your local natural gas company must pay to its suppliers for natural gas) is not regulated by the Missouri Public Service Commission. The wellhead cost of natural gas is unregulated and is primarily driven by supply and demand. The Missouri Public Service Commission does have regulatory review authority to ensure that regulated gas companies make prudent decisions in securing natural gas supplies for their customers.

United Cities serves approximately 1,430 natural gas customers in Palmyra, Missouri and the surrounding areas of Marion County.

